

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF RUSSELL) APPEAL NOS. 07-A-2185
RELYEA from the decision of the Board of) AND 07-A-2186
Equalization of Ada County for tax year 2007.) FINAL DECISION
) AND ORDER

RESIDENTIAL PROPERTY APPEALS

THESE MATTERS came on for consolidated hearing October 31, 2007, in Boise, Idaho, before Hearing Officer Sandra Tatom. Board Members Lyle R. Cobbs, David E. Kinghorn, and Linda S. Pike participated in this decision. Appellant Russell Relyea appeared at hearing. Chief Deputy Assessor Tim Tallman and Appraiser Tina Winchester appeared for Respondent Ada County. These consolidated appeals are taken from an adjustment of assessed values by the Ada County Board of Equalization (BOE) from the protests of the valuation for taxing purposes of property described as Parcel Nos. R9474510025 and R9474510020.

The issue on appeal is the market value of improved and un-improved residential properties.

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

These appeals include two tracts of land. The first is a one acre improved home site assessed for \$300,000 (10025). The second is vacant land contiguous to the one acre homesite. This 3.09 acres parcel is assessed for \$85,000, (10020).

Parcel No. R9474510025

The assessed land value of this one acre parcel is \$300,000, and the adjusted improvements' valuation is \$315,000, totaling \$615,000. Appellant requests the land value be reduced to \$100,000, and the improvements' value remain \$315,000, totaling \$415,000.

Both parcels 10025 and 10020 are located in Winward River Heights Subdivision

(Winward), in Ada County. The Assessor re-appraised Clearvue Estates (Clearvue), a subdivision similar to, but located east of Winward. Both Winward and Clearvue Subdivisions consists of four to five acres lots. While comparing Clearvue values with Winward lot values, the Respondent found that Winward lot values were significantly low and not equitable. Respondent increased Winward's lot values to equal Clearvue's. It appeared that Winward lots had not been adjusted for a while, therefore the increase was sizable. Appellant requested a history of Clearvue versus Winward lot values to show the disparity Respondent claimed. On November 5, 2007, this Board received a copy of the information, with the original sent to Appellant. The information supported the Assessor's testimony.

Respondent did not value subjects on a per acre basis, but as a lot or site value. Seeking equity, the four to five acre lots were all valued at \$385,000 unless the lot had a view, was on the water, or had an agricultural exemption. The \$385,000 was then apportioned between the two (2) parcels.

Subject's residence is approximately 5,980 square feet (5,600 square feet according to Appellant) and was built in 1975. Appellant's well and septic system were installed 34 years ago. Subject's improvement value was reduced by the BOE almost \$40,000. The issue in this appeal is the land value not the improvements' value.

Winward has no central sewer, water, berms or extensive landscaping with entranceway waterfalls. Appellant argued the value of subjects' amenities or lack of amenities, compared to the Assessor's comparable sales' amenities, i.e. Castleberry West, made a difference in value.

Appellant asserted, the assessed value of the improved one acre parcel increased 300% from the previous year . At \$300,000, it is 11 times greater than the value of the remaining 3.09

acres, which are valued at \$85,000. Appellant compared a lot in a neighboring subdivision, Castleberry West, which purportedly sold for \$260,000.¹ Castleberry West was reportably a more expensive subdivision with more amenities than Winward. Appellant furnished an extensive list of these esthetic and functional amenities. Appellant questioned how a lot in Castleberry West could sell for \$260,000 and yet subject's market value is estimated at \$300,000. The Respondent explained Castleberry West was not necessarily superior to Winward. Winward had larger lots, mature trees, no homeowner association and no CC & R restrictions.

Appellant did not believe it was necessary to support the \$100,000 requested value, but just prove the assessment should not have increased to \$300,000 for the one acre parcel and \$85,000 for the 3.09 acre property.

Respondent furnished information on three improved sales located less than a mile from subject. Two were in Clearvue Subdivision and one was on the same road as subject. Information was furnished on the improvements and the adjustments made to equate them to subject. All the sales were five-acre lots, with septic systems. The comparable subdivisions were similar, with no sidewalks, curbs, or gutters. Subject has a pool which was only recently noted. It was not previously assessed, nor is it reflected in subject's value at this time.

Parcel No. R9474510020

The assessed land value is \$85,000. Appellant requests the value be reduced to \$63,750.

This subject is 3.9 acres of bare land used to grow hay. Originally, the plan was to subdivide this land. According to Appellant, if a property is less than five(5) acres it will not receive a building permit if a septic tank is to be used with the new construction.

¹ Documentary records indicate a sale of \$249,900, on September 21, 2007.

Since this parcel is only usable for farm land, Appellant does not believe the land is worth the current assessed value. It was asserted, no farmer would pay that much for farm land. The assessed value of the 3.09 acres is the same as a neighbor's 5.1 acres. Appellant noted the value of 4.34 acres near subject is \$5,300 because hay is grown on the land. Another parcel, 5.29 acres was valued for \$6,800. A 5-acre parcel was valued at \$3,200. These parcels had received the Agricultural Exemption, Appellant explained.

Respondent's Exhibit No. 1, page 7, is a list of 18 un-improved lots near subject which sold between January 3, 2006 and March 30, 2007. The lots ranged in size between .13 and 5.14 acres and sold for \$115,500 to \$740,000. It was noted none sold for \$100,000 which was Appellant's requested value. All but two were within Eagle City limits and Appellant claimed these were not good comparables for the rural subject.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The Assessor is required to value property, not subject to exemption, at its market value for purposes of taxation, as defined in Idaho Code § 63-201(10):

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing sell, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Sales in Clearvue, a subdivision similar to subject, demonstrated an increase in market

values for lots similar to Subject. Respondent placed the most weight on this information and increased the values of the subject lots and other lots located in Winward Subdivision. Other sales in the area supported this increase. Appellant objected to using information from sales in subdivisions with superior amenities to subject. Such sales were used to support increases in the area, but the Assessor put the greatest weight with the Clearvue lots.

No sales in the record supported the claim that one acre lots (like subject's improved lot) were selling for Appellant's requested \$100,000.

Appellant's one sale (Castleberry West) and several of the Assessor's sales were dated in 2007. This was past the lien date of January 1, 2007. All real property like subject is to be assessed at full market value based on its condition and the marketplace as of January 1. Idaho Code Section 63-205(1). For the 2007 tax year, the appraisal date was January 1, 2007. The Board will not consider the untimely 2007 data.

Appellant objected to the 300% increase in one year. The Assessor explained, appraisal was not based on percent of increase. Subject's assessed values were not determined in this manner.

Apparently Appellant did not realize the value reduction claim had to be supported. Idaho Code § 63-511(4) requires a preponderance of the evidence to sustain the burden of proof:

In any appeal taken to the board of tax appeals or the district court pursuant to this section, the burden of proof shall fall upon the party seeking affirmative relief to establish that the valuation from which the appeal is taken is erroneous, or that the board of equalization erred in its decision regarding a claim that certain property is exempt from taxation, the value thereof, or any other relief sought before the board of equalization. A preponderance of the evidence shall suffice to sustain the burden of proof.

The Board does not find Appellant met the burden of proof and therefore we will affirm the

value decisions of the Ada County Board of Equalization on both parcels.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcels be, and the same hereby is affirmed.

MAILED April 30, 2008